

## Message Text

PAGE 01 NATO 04142 051735Z

62

ACTION EUR-25

INFO OCT-01 ISO-00 CIAE-00 PM-07 INR-10 L-03 NEA-10

NSAE-00 PA-03 RSC-01 PRS-01 USIA-15 TRSE-00 MBFR-04

SAJ-01 SS-15 H-03 EB-11 NSC-10 ACDA-19 OMB-01 DRC-01

/141 W

----- 012724

R 051525Z SEP 73

FM USMISSION NATO

TO SECSTATE WASHDC 1414

SECDEF WASHDC

C O N F I D E N T I A L USNATO 4142

E.O. 11652: GDS 12/31/79

TAGS: MCAP, NATO

SUBJECT: BURDENSHARING

REFS: USNATO 3652; USNATO 3966; USNATO 3817; USNATO 3818  
STATE 150394; STATE 175084

1. THE FOLLOWING POSSIBILITIES, FOR INCLUSION IN THE PROPOSED  
STATEMENT OF RUMSFELD TO THE NAC, ARE SUBMITTED FOR CONSIDERATION  
BY WASHINGTON AS ADDITIONS TO USNATO 3818:

A. TRANSFER TO HOST COUNTRY OR OTHER NATO ALLY -- PREFER-  
ABLY INCLUDING SALE OF IMMOVABLE OR UNNEEDED US ASSETS -- OF  
US BASES IN NATO EUROPE WHICH WOULD BE CLOSED DOWN UNDER ANY  
BASE REDUCTION PROGRAM IN NEXT YEAR OR TWO.

B. PROMPT OR IMMEDIATE RECOUPMENT BY THE US OF PENDING  
CLAIMS FOR PREFINANCED INFRASTRUCTURE PROJECTS AND ASSUMPTION  
BY ALLIES OF A PERCENTAGE OF FUTURE PREFINANCING OF US PROJECTS  
WHICH ARE SUBJECT TO RECOUPMENT.

C. PAYMENT TO THE US BY FRANCE OF THE OUTSTANDING CLAIMS  
RESULTING FROM RELOCATION.

D. FINANCING BY ALLIES OF THE ADDITIONAL PROTECTIVE  
MEASURES REQUIRED AT TACTICAL NUCLEAR SITES IN EUROPE.  
CONFIDENTIAL

PAGE 02 NATO 04142 051735Z

E. ASSUMPTION BY ALLIES OF COST OF MILITARY ASSISTANCE  
NOW PROVIDED BY US TO OTHER NATO NATIONS.

F. ASSUMPTION BY EACH ALLY INDIVIDUALLY OF BURDEN OF PRO-  
VIDING TO THE UNITED STATES WITHOUT CHARGE CERTAIN FACILITIES

OR SERVICES WITHIN ITS BORDERS RELATED TO ALLIANCE DEFENSE FOR WHICH THE US NOW MAKES PAYMENT. US MILITARY AUTHORITIES COULD DRAW UP A LIMITED LIST OF FACILITIES AND/OR SERVICES IN EACH NATO COUNTRY FOR WHICH WE ARE CHARGED. THIS APPROACH MIGHT BE THE MOST FRUITFUL IN DEALING WITH SMALLER ALLIES WHOSE RESOURCES ARE LIMITED.

G. COMMITMENT BY ALLIES OF A GREATER PART OF THEIR MILITARY FORCES TO NATO. (ALTHOUGH THIS WOULD HAVE NO IMMEDIATE EFFECT IN REDUCING US BUDGETARY COSTS OR BOP DEFICIT, IT COULD BRING ABOUT EUROPEAN FORCE IMPROVEMENTS AND WOULD MORE EQUALLY SHIFT THE DEFENSE BURDEN.)

2. SINCE LOANS HAVE BEEN PROPOSED BY OUR ALLIES IN THE STUDY GROUP AS ONE OF THE POSSIBLE OPTIONS IN DEALING WITH US BUDGETARY AND BOP PROBLEMS, IT WOULD SEEM REASONABLE TO INDICATE THE US ATTITUDE TOWARD LOANS. FOR THIS REASON, IT MIGHT BE WISE TO DROP THE PROHIBITION AGAINST MENTIONING LOANS AND INCLUDE THE QUALIFIED LANGUAGE CONTAINED IN USNATO 3818 IN PROPOSED STATEMENT TO THE NAC. FURTHER, CONSIDERATION MIGHT BE GIVEN TO ACCEPTING LOANS WHICH CARRY WITH THEM BUILT-IN INCENTIVES FOR OUR ALLIES TO FATTEN THE RECEIPTS SIDE OF THE MILITARY BOP LEDGER. FOR EXAMPLE:

A. WITH RESPECT TO THE UNCOVERED PORTION OF US BOP DEFICIT AND MILITARY ACCOUNT, WE COULD SEEK AGREEMENT WITH ALLIES THAT NATIONS WITH WHICH THE US HAS A MILITARY BOP DEFICIT AND WHICH HAVE A SURPLUS LOAN THE US ANNUALLY THE AMOUNT OF THE DEFICIT. THE LOANS COULD BECOME DUE ONLY WHEN THE US WAS NO LONGER IN DEFICIT. THE LOAN UNDERSTANDING COULD INCLUDE A STIPULATION THAT THERE WOULD BE EITHER NO INTEREST OR AN AGREED UPON "NEGATIVE INTEREST" RATE ANNUALLY REDUCING THE AMOUNT OF US INDEBTEDNESS AS LONG AS IT REMAINED OUTSTANDING. SUCH A STIPULATION WOULD CONSTITUTE A BUILT-IN INCENTIVE FOR ALLIES TO DEVOTE ATTENTION TO REDUCING THEIR SURPLUS WITH US ON MILITARY ACCOUNT BY ASSUMING VARIOUS INFRASTRUCTURE AND OPERATING COSTS NOW BORNE BY THE US AND/OR BY INCREASING MILITARY PURCHASES IN THE US.

B. OR, THE LOANS COULD BE LINKED TO THE TRANSFER OF CERTAIN US EQUIPMENT UNDER AN ARRANGEMENT WHEREBY THE ALLIES WOULD PURCHASE  
CONFIDENTIAL

PAGE 03 NATO 04142 051735Z

THREE- TO FIVE-YEAR US NOTES AND WOULD AGREE TO ACCEPT AS REPAYMENT, FOR AT LEAST A PORTION OF THE US INDEBTEDNESS, US GROUND SUPPORT AND OTHER PREPOSITIONED EQUIPMENT DEPOSITED IN THE HOST COUNTRY

FOR USE BY US MOBILE FORCES. SUCH EQUIPMENT OR FACILITIES WOULD BE EARMARKED FOR THE USE OF US FORCES EITHER FOR EXERCISES OR FOR FORWARD DEFENSE (OF THE CENTRAL REGION) BUT WOULD BE TRANSFERRED TO THE HOST COUNTRY UPON ITS REPLACEMENT OR ABANDONMENT.

3. MISSION FULLY AGREES WITH PROCEDURES SPECIFIED IN PARA 5, STATE 175084 SO FAR AS MULTILATERAL MEASURES ARE CONCERNED AND HAS ADOPTED THIS STANCE IN STUDY GROUP DISCUSSIONS. TO OBTAIN MAXIMUM FROM ALLIES, HOWEVER, US SHOULD BE WILLING TO CONSIDER

ACCEPTING A MIX OF MEASURES -- MULTILATERAL AND SEPARATE ONE NATION EFFORTS. MANY OF ALLIES SEE THIS PROBLEM AS CONGRESSIONAL, NOT PURELY ECONOMIC. THUS, IF THE MULTILATERAL APPROACH OF OUR ALLIES TO THE FORMULATION OF A PROGRAM OF MEASURES WHICH WOULD PROVIDE THE BUDGETARY AND BOP RELIEF WE DESIRE YIELDS SOME PROPOSALS OF A SOMEWHAT BILATERAL NATURE -- I.E., BETWEEN THE US AND ONE OF THE ALLIES ONLY -- US SHOULD BE WILLING TO CONSIDER ACCEPTING SUCH ARRANGEMENTS AS PART OF THE TOATL PACKAGE. SOME SMALLER ALLIES PARTICULARLY MIGHT FIND PARTICIPATION IN BILATERAL ARRANGEMENTS MORE ACCEPTABLE IN POLITICAL AND ECONOMIC TERMS THAN AN EQUAL FINANCIAL COMMITMENT THROUGH A MULTILATERAL MECHANISM. FOR EXAMPLE, AN ARRANGEMENT MIGHT BE POSSIBLE WITH PORTUGAL TO PROVIDE CONTINUED US USE OF LAJES FACILITIES WITHOUT PAYMENT UNDER A NATO UMBRELLA ALTHOUGH SEVERAL NORTHERN ALLIES MIGHT OBJECT TO FINANCING LAJES FACILITES THROUGH A MULTILATERAL MECHANISM.

4. NATO INTERNATIONAL STAFF IS NOW PREPARING FIRST DRAFT OF REPORT FOR CONSIDERATION BY BURDENSARING STUDY GROUP ON SEPT 11. HENCE, A US STATEMENT FURTHER DEFINING US VIEWS AND PRESENTING AN ILLUSTRATIVE LIST OF POSSIBLE REMEDIAL MEASURES AT AN EARLY NAC COULD BE TIMELY.  
RUMSFELD

CONFIDENTIAL

<< END OF DOCUMENT >>

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 02 APR 1999  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 05 SEP 1973  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** boyleja  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1973NATO04142  
**Document Source:** ADS  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** 11652 GDS 12/31/79  
**Errors:** n/a  
**Film Number:** n/a  
**From:** NATO  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1973/newtext/t19730962/abqcebwp.tel  
**Line Count:** 134  
**Locator:** TEXT ON-LINE  
**Office:** n/a  
**Original Classification:** CONFIDENTIAL  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** USNATO 3652; USNATO 3966; USNATO 3817; USNATO 3818 STATE 150394; STATE 175084  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** boyleja  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 14 AUG 2001  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <14-Aug-2001 by garlanwa>; APPROVED <21-Sep-2001 by boyleja>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BURDENSARING  
**TAGS:** MCAP, NATO  
**To:** STATE  
**SECDEF**  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005